

Privatizing Monopolies in the Telecom Sector - Lessons from the Employee Job Satisfaction Perspective

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Abstract

This paper reports on the results of a study done to find out the impact of privatization on the job satisfaction of 50 full time employees of a public sector telecom company in Oman. The primary data was collected using a job satisfaction questionnaire consisting of 25 questions that were scaled on a five-point Likert-type scale. Overall employee satisfaction was also assessed with a one-item statement. The empirical validation of the employee satisfaction scale was performed by exploratory and confirmatory factor analysis. The relationships between the quality dimensions and the dependent variables were examined by means of regression analysis. For each quality dimension we used summed-score measures of their corresponding items. All extracted quality dimensions have a strong significant impact on an overall satisfaction levels, explaining 61% of its variance. The study indicates that most of the respondents are satisfied with their jobs after the privatization of Omantel, as compared to the situation when Omantel was a public sector organization. Perhaps one of the reasons for this is that in Oman, there is now a renewed interest in the performance level of the public sector, as they face a more competitive global environment. Future research could look into the impact of privatization on the other variables like tardiness, absenteeism, productivity and customer satisfaction.

Key words: Privatization, employee job satisfaction

1. Introduction

Privatization covers a broad range of methods and models, including contracting out for services, voucher programs and even the sale of public assets to the private sector. But for the purposes of this paper, privatization refers to the provision of publicly funded services and activities by non-governmental entities. Privatization is generally defined as the deliberate sale by government of state owned enterprises (SOE) or assets to private economic agents. A key issue in the current trend towards privatization is the introduction of competition (eg. public-public competition, public-private competition, competition between public –private ventures, public non-profit competition) to increase efficiency, reduce costs, improve quality and customer satisfaction. Privatization is not inherently good or bad –the performance or effectiveness depends on its implementation. Ever since it was first introduced in the early 1980s in the UK, by the then Prime Minister Margaret Thatcher, privatization has now been accepted as a legitimate tool of state policy all over the world. A lot of research has been done on the effects of privatization as a policy. The Great Depression, World War II, and the emergence of many new countries from the shackles of colonialism, propelled many countries into playing a more active role, including ownership and provision of all types of goods and services. The main objective of this paper is to discuss how privatization programs have impacted employee job satisfaction in a public sector telecommunication company in the Sultanate of Oman.

2. Literature Review

2.1 Privatization of Public Sector

Rondinelli and Iacano (1996) argue that state ownership in the developing world grew for slightly different reasons, mainly to promote growth. In the post-colonial countries of Asia, Africa and Latin America, governments sought rapid growth through heavy investments in physical facilities.

Thus there was tremendous growth in the use of State Owned Enterprises (SOEs), throughout much of the world especially after WWII which in turn led to privatization many years later. The term 'privatization' was first coined by the well known management guru Peter Drucker, before it was adopted by Thatcher. (Yergin and Stanislaw 1998, p.114). The goals of privatization as described in Price Waterhouse (1989a,b), are to (1) raise revenue for the state (2) promote economic efficiency, (3) reduce government interference in the economy, (3) promote wider share ownership, (5) provide the opportunity to introduce competition, and (6) subject SOEs to market discipline. The perceived success of the British privatization program encouraged many other countries to pursue this path through public share offerings. The arguments for state ownership rests on the actual or perceived market failure, and nations have responded to this with state ownership. Privatization in turn is a response to the failings of state ownership. To the extent that privatization promotes competition, privatization may result in efficiency. Comparing the performance of state owned to privately owned firms is one way through which the impact of government ownership on firm performance can be analyzed. Ehrlich et al. (1994) find a significant link between ownership and firm specific rates of productivity growth.

Their results suggest that private ownership leads to higher rates of productivity growth and declining costs in the long run, and these differences are not affected by the degree of market competition or regulation. Their estimates suggest that the short –run effects of changes from state to private ownership on productivity and costs are ambiguous, providing a possible explanation for some of the anomalous results in studies. They conclude that the change from complete state to private ownership in the long run would increase productivity growth by 1.6 to 2 percent a year, while costs would decline by 1.7 to 1.9 percent. This study has been criticized on the ground that it is based on one industry, with relatively old data. The authors also note that they make the implicit assumption that all firms are cost minimizing, but if state owned enterprises have other objectives, then it is difficult to interpret the meaning of differences in costs.

Sumit Majumdar (1998) examines differences in efficiency between government owned, mixed, and private sector firms in India. He finds support for the superior efficiency of private and mixed sector firms over SOEs. La Porta and Lopez-de-Silanes (1999) found about fifty percent reduction in employment of blue and white collar employees, but a higher payment is made to those workers who remain. According to them, most of the performance improvement is due to productivity gains resulting from better incentives, with at most one-third of the improvement caused by lower employment costs. Ravi Ramamurti (1997) examines the 1990 restructuring and privatization of Ferrocarril Argentinos, the Argentine national freight and passenger railways system. He found an astonishing 370 percent improvement in labor productivity and an equally striking (and not unrelated) 78.7 percent decline in employment –from 92,000 to 18,682 workers. Operating subsidies declined almost to zero, and consumers benefitted from expanded (and better quality) service and lower costs. Ramamurti concludes that these performance improvements could not have been achieved without privatization.

Stephen Martin and David Parker (1995) find that, after adjusting for business cycle effects, less than half the British firms they study perform better after being privatized. The authors do however find evidence of a shake-out effect where several firms improve performance prior to being privatized, but not afterwards. Six studies examine the telecommunication industry, which has been transformed by the twin forces of technological change and deregulation (including privatization) since 1984- the year when the AT&T monopoly was broken up in the USA, and the Thatcher government started privatizing British Telecom. Five of these are empirical studies, while Ramamurti (1996) provides a summary of empirical studies examining four telecom privatizations in Latin America. He concludes that all were judged to be economic and political success stories. These studies generally indicate that deregulation and liberalization of telecom services are associated with significant growth in tele-density and operating efficiency, and significant improvements in the quality and reduced price of telecom services.

The impact of privatization per-se is somewhat less clear cut but most studies agree that the deregulation/liberalization is associated with significant telecommunications improvements. Noll (2000) in his analysis of the political economy of telecom companies in developing countries predicted the same results. The Juliet D'Souza and Megginson (2000) findings also support the idea that telecom privatization yields net benefits. All governments fear that privatization will cause former SOEs to lay off workers, resulting in a fall in employment levels, and the key question in virtually every case is whether after privatization the firm's sales will increase enough to offset the dramatically higher levels of per-worker productivity. Three studies document significant increases in employment (Galal et al. 1994; Megginson, Nash, and van Randenborgh 1994; and Boubakri and Cosset 1998), two find insignificant changes (Macquieira and Zurita 1996; and D'Souza and Megginson 2000) while the remaining five document significant –sometimes massive –

employment declines (Ramamurti 1997; LaPorta and Lopez-de-Silanes 1999; Laurin and Bozec 2000; D'Souza and Megginson 1999; and Boardman, Laurin, and Vining 2002). These conflicting results may be due to differences in methodology, sample size and make-up, or omitted factors. Perhaps it is more likely that the studies reflect real differences in post privatization employment changes between countries and between industries. We can safely conclude that privatization does not automatically mean fall in employment levels in divested firms- though this is likely to happen unless sales can increase fast enough after divestiture to offset very large productivity gains.

2.2 Employee Job Satisfaction

Job satisfaction is a self-reported positive emotional state resulting from the appraisal of one's job or from job experiences (Locke, 1976). This attitude towards work is thus necessarily within the context of the work environment, which includes not only the job and organizational characteristics, but also the interaction of the two with worker characteristics (Rousseau, 1978). While some of the conceptualizations of job satisfaction were based on some specific facets of the job (Rice, McFarlin and Bennett, 1989) others have used conceptualizations based on total or overall satisfaction (Levin and Stokes, 1989), while still others have used conceptualizations based on the intrinsic-extrinsic distinctions (Naumann, 1993). Monetary compensation is one of the most important explanatory variables for job satisfaction (Kalleberg, 1977; Voydanoff, 1980). Taylor and West (1992) in their study of public sector managers found that those public sector employees that compared their salaries with private sector employees, had lower levels of job satisfaction, thus concluding that pay levels affect job satisfaction. Job characteristics have also been found to consistently have an impact on the level of job satisfaction. Those workers that perform tasks that have high skill variety, autonomy, feedback, and job significance experience greater levels of job satisfaction than their counterparts who perform tasks that are low on those attributes (Hackman and Lawler, 1971). Voydanoff (1980) found self-expression in job setting to relate positively to job satisfaction.

The work-environment characteristic is another category of variables that many have found to have an impact on job satisfaction. Employees' job satisfaction is related to supervisor characteristics (Harrick, Vanek, and Michlitsch, 1986), and Emmert and Taher (1992) found job-related feedback and the social environment to be important determinants of job satisfaction for public professionals. The other set of variables that have attracted the attention of researchers as possible predictors of job satisfaction are employees' personal characteristics. Variables such as age, educational level, and gender have been found by many studies to have some relationship to employees' level of job satisfaction. Lee and Wilbur (1985) suggest that job satisfaction increases with age. One explanation for such a finding is that older employees are better able to adjust their expectations to the returns work can provide (DeSantis and Durst, 1996). Researchers have found that there is a negative relationship between education and job satisfaction. Employees with higher levels of education tend to be less satisfied with their jobs. This is especially true of younger workers assigned to routine tasks (Carrell & Elbert, 1974; DeSantis and Durst, 1996).

Findings on the impact of gender on job satisfaction are at present not consistent. While some of the findings suggest that there are no differences in the level of job satisfaction among men and women (Mannheim, 1983), others do suggest that the expectations of working women in terms of job satisfaction are different from those of men (Martin & Hanson, 1985). It is rather difficult to summarize the findings on job satisfaction. Because most of the studies use different conceptualizations, the findings are not directly comparable. However one can state with reasonable confidence that even when the relationships between specific predictor variables and job satisfaction vary depending on conceptualizations, the direction of the relationships tend to be somehow consistent (Naumann, 1993).

3. Research Methodology

Primary data was collected on the basis of an Employee Job Satisfaction Questionnaire consisting of 25 statements. The questionnaire was designed to measure variables, which the literature review indicates have some relationship with job satisfaction. The objective was to find out the attitude of employees towards job satisfaction, and in particular to find out whether there are any differences in this respect, before and after privatization. The questionnaires were given to 65 full time employees from different departments of Omantel, which is a public sector telecommunications organization in the Sultanate of Oman. For this a systematic random sampling method was used, and out of 65 employees who were given this questionnaire, 50 responded (76.92 % response). The survey was conducted during the two months of October and November 2005. The respondents were all non-managerial employees of Omantel, 84% of which were male, and 16 % were female. All the respondents belonged to the Dhofar Governorate, in the Sultanate of Oman. 36 % of the respondents were within the age group of 20-30 years, and 56 % were between the ages 31-40 years.

Most of the respondents (58%) had a total work experience of between 1-10 years in Omantel. Hence it is assumed that they are well aware of the organizational culture and working environment in this organization. The data collected through this questionnaire was based on personal interviews conducted at their work places during their rest hours. Some of the personal data of the respondents, like age, experience, education, marital status, job category, etc. were tallied with their personal service records from the company. The attitudes of the respondents were measured on a five point Likert-type scale ranging from Strongly Agree to Strongly Disagree.

Table 1: CFA Results for the 25 items of the Scale:

No.	Items	Mean	Factor Loadings	Indicator Job Security	Cronbach's Alpha	AVE
1	I prefer to work in a private organization instead of a public organization.	3.8	0.74	0.55	0.89	0.52
2.	I am fully satisfied with my work environment in Omantel.	3.8	0.81	0.66		
3.	I am fully satisfied with the salary from my present job.	4.0	0.79	0.62		
4.	I am fully satisfied with the benefits (like medical, housing, etc) from my present job.	4.2	0.71	0.50		
5.	I feel there is less job security here, after privatization.	4.1	0.66	0.44		
6.	My salary here has increased after privatization.	4.0	0.69	0.48		
7.	My job here has become more difficult after privatization.	4.2	0.64	0.41		
8.	Hiring and firing of employees should be done only on the basis of merit.	3.6	0.60	0.36	0.84	0.70
9.	I am willing to compromise my job security in return for a higher salary.	4.0	0.99	0.98		
10.	As a manager I would be willing to delegate authority to my subordinates.	3.2	0.82	0.67		
11.	After the privatization of Omantel, my job responsibilities have increased.	3.1	0.88	0.77		
12.	After the privatization of Omantel, the increase in work pressures does not provide me enough time to socialize with my friends.	4.3	0.77	0.59		
13.	After privatization I am not finding enough time to spend with my family.	4.4	0.68	0.46		
14.	I am always looking for better job opportunities.	4.1	0.69	0.48	0.88	0.50
15.	I like to work with Omanis only.	4.2	0.64	0.41		
16.	I personally favor privatization of all public sector companies in Oman.	4.3	0.73	0.53		
17.	I feel that privatization of public sector organizations will increase the efficiency of the services that they provide.	4.6	0.67	0.45		
18.	I believe that privatization is good for my country.	3.9	0.68	0.46	0.83	0.47
19.	I support the idea of privatization, even if it involves cutting of jobs in those companies proposed to be privatized.	4.3	0.66	0.44		
20.	I believe that private sector is more efficient than the public sector.	4.0	0.68	0.46	0.85	0.68
21.	Privatization of Omantel has made my job more insecure.	4.0	0.68	0.46		
22.	The organizational environment in Omantel has changed after privatization.	3.8	0.75	0.56		
23.	After privatization my job responsibilities are the same.	3.7	0.77	0.59		
24.	Every day I feel very enthusiastic about my work.	3.7	0.81	0.66		
25.	In case of an emergency I am willing to work on weekends or on public holidays, even if I am not paid for it.	3.6	0.95	0.90		

All factor loadings are significant at $p < 0.001$

The quantitative data was collected to extract the dimensionality of employee satisfaction using a structured questionnaire. The questionnaire was distributed by enumerators employed by the researchers to non-managerial staff of Omantel. 65 full-time employees were given the questionnaire of which 50 responded with completed questionnaires. The questionnaire contained questions on work experience, age, qualifications, and also an attitudinal scale comprising of 25 items that were scaled on a five-point Likert-type scale anchored by 1 = "strongly disagree" and 5 = "strongly agree". Overall employee satisfaction was also assessed with a one-item statement. In order to assess the representativeness of the sample, we collected and compared socio-demographic data of the respondents with those reported in studies done over the past and reported from other external sources. Comparisons revealed close match between samples considered in several studies. Table 1 summarizes the basic demographic characteristics of our sample.

Table 2: Demographic characteristics of the sample

Demographic Variable	Total/ Percentage %
Employees	65
Completed Questionnaires	50
Non-managerial Employees	100%
Percentage of male Respondents	84%
Percentage of female Respondents	16%
Age group of 20-30 Years	36%
Age group of 31-40 Years	56%
Work Experience of 1-10 Years	58%

The empirical validation of the employee satisfaction scale was performed by exploratory and confirmatory factor analysis. This method of construct validation has been widely established in the literature (Baumgartner and Homburg, 1996). To analyze the dimensionality of the scale, the researchers applied the MSA criterion at first level (Hair et al., 1998). The MSA of 0.937 indicates an excellent applicability of the item pool for exploratory factor analysis (EFA). Subsequently, successive repetition of the EFA and elimination of items based on low factor loadings, high cross loadings and insufficient item-to-total correlations resulted in a pool of 25 remaining satisfaction indicators. Next, the extracted dimensions were tested for their Job Security and validity one by one by means of confirmatory factor analyses (CFA) with LISREL 8.71. The local fit indices indicator Job Security, average variance extracted (AVE) and Cronbach's α were employed to evaluate each dimension (Baumgartner and Homburg, 1996; Churchill, 1987). The corresponding measures suggest a good fit of the extracted five satisfaction dimensions of the attitudinal scale of the questionnaire that are defined as: Salary and equity in compensation, Benefits and variable component, Work Environment, Job Security, and Work Pressure and (see Table 3).

4. Analysis of Findings

Virtually all fit criteria exceeded the threshold levels commonly suggested in the literature (Bagozzi and Baumgartner, 1994). The fit statistics propose a superior degree of Job Security and convergent validity of all scale dimensions. In order to examine whether all identified dimensions actually refer to a super ordinate construct of overall employee satisfaction, we conducted a second-order CFA using all extracted five satisfaction dimensions ($\chi^2 = 653$; $df = 270$). Each of the five first-order dimensions has a significantly large ($p < 0.001$) and positive loading on the second-order factor, ranging from 0.67 to 0.94. Furthermore, all correlations between the five constructs are significant at $p < 0.001$, indicating that the five scales converge on a common underlying construct (Lages et al., 2005). This suggests that the higher order model accounts for the data well. The global fit indices of the higher order measurement model shown in Fig. 1 propose an excellent model fit, with a possible exception of the RMSEA, which is slightly above the conservative cutoff value of 0.08 suggested by Browne and Cudeck (1993). However, it is still within the range which Hair et al. (1998) considers acceptable fit ($RMSEA \leq 0.10$). For deriving a parsimonious measurement model with dimensions that are sufficiently exclusive in their meaning, an assessment of the discriminant validity was performed utilizing the conservative Fornell/Larcker test. Discriminant validity is given when the shared variance among any two constructs (i.e., the square of their inter-correlation) is less than the AVE of each construct (Fornell and Larcker, 1981).

With some exemptions, the AVE exceeds the squared correlations with the remaining factors (Table 3).

To test for common method bias, we employed Harman's one-factor test. The rationale for this test is that if common method variance poses a serious threat to the analysis and interpretation of the data, a single latent factor would account for all manifest variables. A worse fit for the one-factor model would suggest that common method variance does not pose a serious threat. The one-factor model yielded $\chi^2 = 1217$ with $df = 275$ (compared with the $\chi^2 = 653$ and $df = 270$ for the five-dimensional measurement model). The fit is considerably worse for the one-dimensional model, suggesting that common method bias is not a serious threat in the study. The model is tested for predictive validity by investigating the relationship of each employee satisfaction dimension to overall satisfaction, perceived security in the event of privatization, and job stress. The fit values for the multi-item constructs perceived security in the event of privatization, and job stress in Table 4 are indicative of the psychometric soundness of these measures. The relationships between the quality dimensions and the dependent variables were examined by means of multiple regression analysis. For each quality dimension we used summed-score measures of their corresponding items (Table 5). All extracted quality dimensions have a strong significant impact on an overall satisfaction levels, explaining 61% of its variance. Job Security is the most important determinant of the global quality perception ($\beta = 0.36$).

The remaining employee satisfaction dimensions contribute rather equally to overall satisfaction with Beta weights ranging from 0.19 (Salary and equity in compensation) to 0.16 (Work Pressure and stress) and 0.12 (Benefits and variable pay and Work Environment). Salary and equity in compensation ($\beta = 0.26$), Job Security ($\beta = 0.23$) and Work Environment ($\beta = 0.22$) are the strongest factors in predicting employee's perceived satisfaction and work pressure. Four of the five employee satisfaction dimensions show a strong positive effect on employee satisfaction. Comparable to the findings for perceived value, Job Security and Salary and equity in compensation are the most important satisfaction drivers with Beta weights of 0.41 and 0.20. Altogether, our employee satisfaction factors explain 65% of the variance of employee satisfaction. Job Security seems to be the most powerful driver of all dependent variables. This finding confirms that the Job Security issues represent the most critical factor for assessing the perceived job pressure and stress and employee satisfaction at the work place. As can be seen from Table 6, the Benefits and variable pay dimension—which has been mainly neglected in empirical studies so far—has the strongest impact as a major antecedent of intention to stay in the event of privatization. Willingness to contribute is also strongly affected by Benefits and variable pay.

As Table 6 shows, Work Pressure and stress and Benefits and variable pay are the only dimensions that significantly affect both value drivers – willingness to stay and contribute to the organization. These findings clearly indicate that employee satisfaction factors need to be taken care of, and assume greater significance in the event of privatization.

Table 3: Fornell/Larcker Test for the Five factors

	1	2	3	4	5
Salary and equity in Compensation	0.52				
Benefits and variable pay	0.51	0.70			
Work Environment	0.66	0.43	0.50		
Job Security	0.64	0.42	0.52	0.47	
Work Pressure and stress	0.39	0.26	0.33	0.31	0.68

All correlations are significant at $p < 0.001$; AVE on diagonal.

Table 4: Properties of Perceived Job Security and Job Pressure & Stress

Dimensions/Items	Mean Factor Loadings	Cronbach's Alpha
Dimension: Perceived security in the event of privatization	0.82	0.86
1. Item 5		
2. Item 7	0.90	
3. Item 9	0.75	
Job Pressure and Stress	0.91	0.95
4. Item 11		
5. Item 12	0.94	
6. Item 13	0.94	
7. Item 24	0.86	

Table 5: Relationships of Employee Satisfaction dimensions

Construct	Overall Job Security	Perceived Job Pressure	Employee Satisfaction
Salary and equity in compensation	0.19*	0.26*	0.20*
Benefits and variable pay	0.12**	0.12**	0.07***
Work Environment	0.12**	0.22*	0.14**
Job Security	0.36*	0.23*	0.41*
Work Pressure and stress	0.16**	0.15**	0.15**
R ²	0.61	0.63	0.65

* Significant at p<0.001

** Significant at p<0.01

*** Significant at p<0.05

Table 6: Relationships of Employee Satisfaction dimensions to major drivers of organizational effectiveness

Construct	Intention to stay	Willingness To contribute
Salary and equity in compensation	0.06	0.10
Benefits	0.35*	0.16*
Work Environment	0.13***	0.11***
Job Security	.02	0.30*
Work Pressure and stress	0.33*	0.12**
R ²	0.29	0.41

* Significant at p<0.001

** Significant at p<0.01

*** Significant at p<0.05

5. Results and Discussion

The study indicates that most of the respondent's job satisfaction with the specific aspects of their job varies. For example 28 % respondents strongly agree about their satisfaction with their work environment, whereas only 20 % and 12% respondents strongly agree with their satisfaction with salary and benefits respectively. The percentage of respondents strongly dissatisfied with their salary and benefits are 12 % and 24 % respectively. The study indicates that most of the respondents are satisfied with their jobs after the privatization of Omantel, as compared to the situation when Omantel was a public sector organization. Perhaps one of the reasons for this is In Oman, there is now a renewed interest in the performance level of the public sector, as they face a more competitive global environment. Privatization can potentially cause tremendous social upheaval, as privatizations are often accompanied by large layoffs. If the state mishandles privatization process, a whole nation's economy can plunge into despair. In this context it must be mentioned that not a single employee was laid off during the privatization process of Omantel. This is indeed a very creditable achievement for the government of Oman. However in response to question number 21, this study revealed that a significant number of employees ie. 54 % feel that that privatization has made their jobs insecure. This is perhaps because; at the time of privatization there was no competition. But with the entry of Nawras, a private sector player, the competition really started. 34 % strongly disagree with the statement that they would support the idea of privatization even if it involves cutting of jobs in those companies proposing to be privatized.

Efforts to improve the performance level of the public sector focus on both personal and contextual variables. Studies have shown that employees' attitudes towards work do affect their performance, and in turn the attitudes of employees are influenced by personal characteristics and job characteristics (DeSantis and Durst, 1996).The increasing pressure both from within and from without, to increase the productivity of the public sector in developing economies makes it imperative to investigate reasons why there is a significant difference in the levels of productivity in the public and private sector. There is evidence from previous studies suggesting that private sector employees experience higher levels of job satisfaction (Solomon, 1986; Kohjasteh, 1993). Implicit in many of these studies is the idea that satisfied workers in most organizations contribute significantly to the effectiveness and success of the organizations. Logic thus suggests that low productivity may be a result of low levels of satisfaction (Naumann, 1993). Results showed that 60 % strongly agreed and 28 % agreed with the statement that they were willing to take risks associated with higher salaried jobs in the company (Q.No.9), whereas only 4 % strongly disagreed with this idea. .This is a good indicator about the emerging entrepreneurial tendencies among young Omanis. It should be noted that until recently Omani's preferred the relatively secure jobs in the public sector.

This is a tribute to the wise leadership of the ruler of Oman His Majesty Sultan Qaboos Bin Said, and his government which has been giving a tremendous boost to the growth of the private sector in this country, with the declaration of the year 1998 as the Year of Privatization in Oman. Most of the respondents agreed that their salary has increased after privatization (Q.6), and so have their responsibilities (Q.11). 76 % agree or strongly agree that hiring and firing of employees should be done only on the basis of merit (Q.8). This shows that efficiency and performance are important. The management should note this point, and take appropriate steps to reward efficiency and punish inefficiency. In today's competitive world, complacency has no place if one has to survive and prosper. This is true not only for an individual, but also for a company and indeed for the country as well. The study (Q.no.10) also showed that a exceedingly high number of employees (98%) are willing to delegate authority, as managers. People recognize the fact that time is an important constraint, and hence this is the only way to get things done. More importantly it is also an indicator of the trust that these employees have in their colleagues and subordinates, and this augurs well for a team based organization.

However the downside of privatization is that since overall responsibilities have increased, the job occupies most of the time and attention of the employee. As the responses to question number 12 shows, 62 % either agree or strongly agree that after privatization the work pressures does not provide enough time for them to socialize with their friends, whereas 48% either agree or strongly agree that because of their new job responsibilities, they do not find enough quality time to spend with their family. This is perhaps the price that one has to pay for being focused on the career. However the company can introduce some schemes for holidays or vacation, or arrange company –wide social gatherings. This is very important, otherwise it can result in employee burnout and other health related problems for the employee, and increased health costs to the company. The response to question number 24 shows that 70 % respondents either agree or strongly agree that they feel very enthusiastic about their work as against only 10 % who either disagree or strongly disagree with this statement. In fact in response to another question, (Q.no.24) 66 % said that they are even willing to work on week-ends or on public holidays even if they are not paid for it. This is one of the best tests of employee loyalty. Omantel can truly be proud of such employees and this is also a clear indication that it has the right people in its ranks to not only survive the coming days of intense competition but also propel its future growth.

6. Conclusion

While the present study focuses on personal characteristics, the findings are supported by previous studies, which suggest that the level of job satisfaction is determined by a combination of jobs, work, and personal characteristics. Further analysis of the findings of this study is instructive in terms of management practice and development in nations like Oman. Tenure, the length of time spent in the organization, is positively correlated with job satisfaction. The longer the time spent in the organization, the more satisfied the managers are with their jobs. This may be an indication that once the process of acculturation is over, managers settle into their jobs, have an increased organizational commitment and seem to like their jobs (Farkas and Tetrick, 1989). On the other hand, this may be an indication of complacency, suggesting that the longer the time spent in the organization, the more managers tend to be satisfied with the status quo. If the latter is the case, then a satisfied manager is not necessarily a productive manager. Rotating managers to different jobs is likely to reduce the tendency of complacency and also has the added benefit of task variety, which has been suggested to be positively related to job satisfaction (Naumann, 1993). The level of job satisfaction is higher among the older and perhaps more experienced employees. This suggests that the turnover rate among younger employees may be high. The tendency is that the younger employees will consider themselves more mobile and seek greener pastures, perhaps in other government agencies, but most likely in the private sector.

The present study shows that a total of 44 % of the respondents either agree or strongly agree that they are always looking for better job opportunities, whereas about 40 % either disagree or strongly disagree with this statement. This scenario suggests that eventually the public sector will have a shortage of young skilled employees. Manpower planning in the public sector should address those organizational issues that will attract young qualified employees to the public sector. As the private sector in developing countries becomes more significant in those economies, it will be harder for the public sector to keep a cadre of young qualified employees. This study shows that older workers and those with longer tenure in the work place have higher levels job satisfaction than younger workers, than those with shorter tenure. Low levels of job satisfaction among this group may be explained more in terms of the job context than of personal characteristics. As expected, as the level of income rises, so does the level of job satisfaction. Conversely, those that have low levels of income are less satisfied with their jobs. The continuous exodus of public employees to the private sector is primarily related to the differences in the level of income.

Many of these employees are willing to leave the security of government employment for the more risky but financially rewarding private sector employment. The impending shortage of personnel in the public sector that will occur does not bode well for the long-term economic development of the country. Manpower development in developing countries should emphasize both organizational and personal variables that will improve employee satisfaction. As suggested earlier, the economic instability of recent years is bound to affect the perception of job satisfaction by Omani employees.

Recommendations include payment of market related remunerations, continuous training and promotion. The study shows that improved opportunities salary, working conditions and autonomy would increase the level of job satisfaction among the employees of Omantel. This paper has not covered the effect of privatization on consumers. Future research investigating such interaction will be desirable. Because the subjects in this study work in the private sector in the telecommunications industry, future research investigating predictors of job satisfaction among private employees from different industries will be desirable. A conceptualization that distinguishes between extrinsic and intrinsic satisfaction could be instructive in identifying other predictor variables for job satisfaction. Future research could also focus on the relation between job satisfaction and other variables like tardiness, absenteeism and productivity. Further the link between employee satisfaction and customer satisfaction, could also be explored.

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